



## *Report to the Auburn City Council*

Action Item
Agenda Item No. 9

City Manager's Approval
-------------------------

**To:** Honorable Mayor and City Council Members  
**From:** Robert Richardson, City Manager  
Andy Heath, Administrative Services Director  
**Date:** April 13, 2009  
**Subject:** Amendment of Auburn Municipal Airport Land Leases (Lot 27 and Portion of Lot 28) – Estes Family Trust

### *The Issue*

Shall the City Council authorize the City Manager or his designee to execute land lease amendments at the Auburn Municipal Airport between the City of Auburn and the Estes Family Trust?

### *Conclusions and Recommendations*

By **RESOLUTION**, authorize the City Manager or his designee to execute amendments to the Auburn Municipal Airport Industrial Park Land Lease Agreements for a Lot 27 and Lot 28A between the City of Auburn and the Estes Family Trust.

### *Background*

On August 10, 1987 and January 1, 1998 the City Council approved two separate lease agreements between the City and the Estes Family Trust (or the predecessor-in-interest) for adjacent land parcels in the Airport Industrial Park (Lot Nos. 27 and 28A, respectively). Since the original execution of the leases, Lot 27 has been developed into the Century Lighting and Electric Complex while Lot 28A currently remains undeveloped, but for a parking area currently being used to accommodate employees and customers for the Century Lighting business.

The Estes Family Trust has requested that the lease agreements for Lots 27 and 28A be amended to incorporate the parking area currently located on Lot 28A into Lot 27. The Estes Family Trust has also requested to exercise its option to extend the Lot 27 lease for an additional 25 years.

### *Lease Boundary Line Changes*

As previously mentioned, Lot 27 currently houses the Century Lighting and Electric business in the Airport Industrial Park. The Estes Family Trust has requested that the

lease for Lot 27 be amended to include an additional 6,351 sq. ft. currently within the boundaries for Lot 28A to account for a parking lot developed for use by the Century Lighting and Electric business. Consideration for Lot 27 will increase by \$77.70 per month to a new monthly lease rate of \$1,550.10. Consideration for Lot 28A will decrease by \$77.70 per month to a new monthly lease rate of \$661.50. The total monthly consideration for both lots combined will not change.

*Option to Extend Lease*

On June 24, 1996, the City Council approved an amendment to the lease agreement between the City and The Estes Family Trust granting the right to exercise an option to extend the lease for Lot 27 by an additional 25 years. At this time, the Estes Family Trust has requested to exercise their option to extend the lease for Lot 27 by 25 years, effectively extending the lease term through August 10, 2062. The obligation to continue to pay as rent the "option consideration" of \$303.37 will continue for the twenty year term of the option as set forth in Section 7.d. of the lease amendment granting the option.

*Alternatives Available to Council; Implications of Alternatives*

1. Adopt a resolution authorizing the City Manager or his designee to execute land lease amendments at the Auburn Municipal Airport between the City of Auburn and the Estes Family Trust.
2. Do not adopt a resolution and direct staff accordingly.

*Fiscal Impact*

None – Amending the boundaries of Lot 27 and Lot 28A; and granting the option to extend the Lease for Lot 27 will have no impact on the total lease revenue generated at the Airport Industrial Park.

*Budget Reference*

N/A

Attachment #1 – Second Amendment to Lease – Estes Family Trust, Lot 27  
Attachment #2 – First Amendment to Lease – Estes Family Trust, Lot 28A

1 RESOLUTION NO. 09-  
2 RESOLUTION AMENDING AUBURN MUNICIPAL AIRPORT LAND LEASES FOR  
3 THE ESTES FAMILY TRUST  
4 -----

5 THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

6 That the City Council of the City of Auburn does hereby adopt a  
7 resolution authorizing the City Manager or his designee to execute land lease  
8 amendments at the Auburn Municipal Airport between the City of Auburn and  
9 the Estes Family Trust, a true and correct copy of which is attached herewith.  
10  
11  
12  
13

14 DATED: April 13, 2009  
15

\_\_\_\_\_  
16 J.M. Holmes, Mayor

17 ATTEST:

\_\_\_\_\_  
18 Joseph G. R. Labrie, City Clerk  
19  
20

21 I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby certify  
22 that the foregoing resolution was duly passed at a regular meeting of the City  
23 Council of the City of Auburn held on the 13<sup>th</sup> day of April 2009 by the  
following vote on roll call:

24 Ayes:

25 Noes:

26 Absent:

\_\_\_\_\_  
27 Joseph G. R. Labrie, City Clerk  
28

RECORDING REQUESTED BY )  
 AND WHEN RECORDED MAIL TO: )  
 )  
 Keith C. Estes, Trustee )  
 Traci A. Estes, Trustee )  
 The Estes Family Trust )  
 P. O. Box 6793 )  
 Auburn, California 95604 )  
 )

Space above this line for Recorder's Office

SECOND AMENDMENT TO LEASE  
 (Lot 27)

This Second Amendment to Lease ("Amendment") is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2009 (the "Effective Date"), by and between the City of Auburn, a Municipal Corporation (herein called "City"), and Keith C. Estes and Traci A. Estes, trustees of the Estes Family Trust (herein called "Lessee").

RECITALS

A. Lessee's predecessor-in-interest, Keith C. Estes and Traci A. Estes, and City entered into that certain Auburn Airport Industrial Park Industrial Site Lease dated August 10, 1987 (the "1987 Lease").

B. On February 25, 1991, Keith C. Estes and Traci A. Estes assigned all of their right, title and interest in the Lease to Lessee, Lessee accepted such assignment and City consented to the assignment.

C. On June 24, 1996, the 1987 Lease was amended by that certain Amendment to Lease between the City and Lessee executed by City on June 24, 1996 (the "1996 Amendment," the 1987 Lease as amended by the 1996 Amendment is referred to herein as the "Lease").

D. Lessee is also the lessee of an adjacent parcel commonly referred to as Lot 28A.

E. The parties hereto desire to amend the Lease to increase the square footage of the Leased Premises by incorporating certain property currently within Lot 28A.

F. The parties also want to memorialize the exercise by Lessee of its option to extend the Lease for an additional twenty five (25) years.

G. The lease between City and Lessee for Lot 28A, dated January 1, 1998, is being amended concurrently herewith.

NOW THEREFORE, in consideration of the foregoing recitals and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Legal Description of the Leased Premises. Exhibit "A" to the Lease, the legal description of the Leased Premises, and the depiction of the Leased Premises immediately following Exhibit "A" are hereby deleted and replaced in their entirety with the attached "2009 Revised Legal Description of the Leased Premises" and "2009 Revised Depiction of the Leased Premises."
2. Square Footage of the Leased Premises; Annual Rent. Lessee and City agree that the square footage of the Leased Premises for purposes of computing the annual rental is 127,877 square feet, and that commencing on the Effective Date the annual rental for the Leased Premises shall be \$18,601.20.
3. Exercise of Option. Pursuant to the 1996 Amendment to Lease Lessee has the option to extend the term of the Lease for an additional twenty five (25) years subject to certain conditions set forth in the Addendum to the Amendment; those conditions have been satisfied. Lessee hereby exercises its right to extend the term of the Lease for an additional twenty five (25) years. The parties acknowledge that the Term of the Lease as extended will expire on August 10, 2062. Lessee acknowledges that nothing contained herein shall affect its obligation to continue to pay as rent the "option consideration" (as defined in the 1996 Amendment) for the twenty (20) year term as set forth at Section 7.d.
4. No Other Changes. Except as expressly modified by this Amendment, all other terms and conditions of the Lease shall remain in full force and effect.

(Signature Page follows)

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date.

CITY

LESSEE

CITY OF AUBURN, CALIFORNIA, a  
municipal corporation

By: \_\_\_\_\_  
Robert Richardson  
City Manager

\_\_\_\_\_  
Keith C. Estes, trustee of the Estes Family  
Trust

\_\_\_\_\_  
Traci A. Estes, trustee of the Estes Family  
Trust

APPROVED AS TO FORM

By: \_\_\_\_\_  
Michael Colantuono  
City Attorney

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

---

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)



2280 GRASS VALLEY HWY #242  
AUBURN CA 95603  
530-320-0426 PHONE  
530-653-2126 FAX  
CHRISTINE@CLEAR-PATH.NET

November 16, 2007

**Exhibit "A"**  
**Lease Description**  
**Lot 27 and Portions of Lots 26 and 28, Auburn Industrial Park**  
**City of Auburn to Century Lighting**

All of Lot 27 and portions of Lots 26 and 28 shown and designated as Lot 28 and Century Lighting on Record of Survey No. 1847 filed in Book 14 of Surveys at Page 66, Placer County Records, located in Section 28, Township 13 North, Range 08 East, M.D.M., in the City of Auburn, Placer County, California.

Beginning at a point in the above described Lot 28, a point on the Southerly line of the City of Auburn Lease #98-5 to the Estes Family Trust, and from said point the tie of record to the two inch diameter capped iron pipe marked for the East one-quarter corner of the above described Section 28 bears the following three consecutive courses and distances: (1) North 89°40'26" East for a distance of 22.00 feet; (2) South 00°16'55" East for a distance of 180.00 feet; and (3) North 89°40'26" East for a distance of 1805.96 feet; thence from the point of beginning North 00°16'55" West for a distance of 297.11 feet to a point on the Southerly right of way line of Earhart Avenue as shown and so designated on said Record of Survey No. 1847; thence along said Southerly line the following three (3) consecutive courses and distances: (1) North 89°40'25" East for a distance of 110.04; (2) along the arc of a tangent curve to the left, concave Northerly, having a radius of 530.00 feet, a central angle of 12°22'17", a length of 114.44 feet and a chord bearing North 83°29'17" East for a distance of 114.22 feet to a point of reverse curvature; and (3) along the arc of a tangent curve to the right, concave Southerly, having a radius of 470.00 feet, a central angle of 06°10'53", a length of 50.71 feet and a chord bearing North 80°19'56" East for a distance of 50.68 feet to the Northeasterly corner of the tract of land described in said Lease #87-154; thence along the Easterly, Southerly and Westerly lines of said tract



of land the following three (3) consecutive courses and distances: (1) South 00°16'52" East for a distance of 497.65 feet; (2) South 89°40'26" West for a distance of 251.58 feet; and (3) North 00°16'55" West for a distance of 180.00 feet; thence leaving said Westerly line South 89°40'26" West for a distance of 22.00 feet to the point of beginning.

Containing 2.94 acres (127,877 square feet), more or less.



11-16-07

*Estes Auburn Airport/Lot 27 lease.doc*

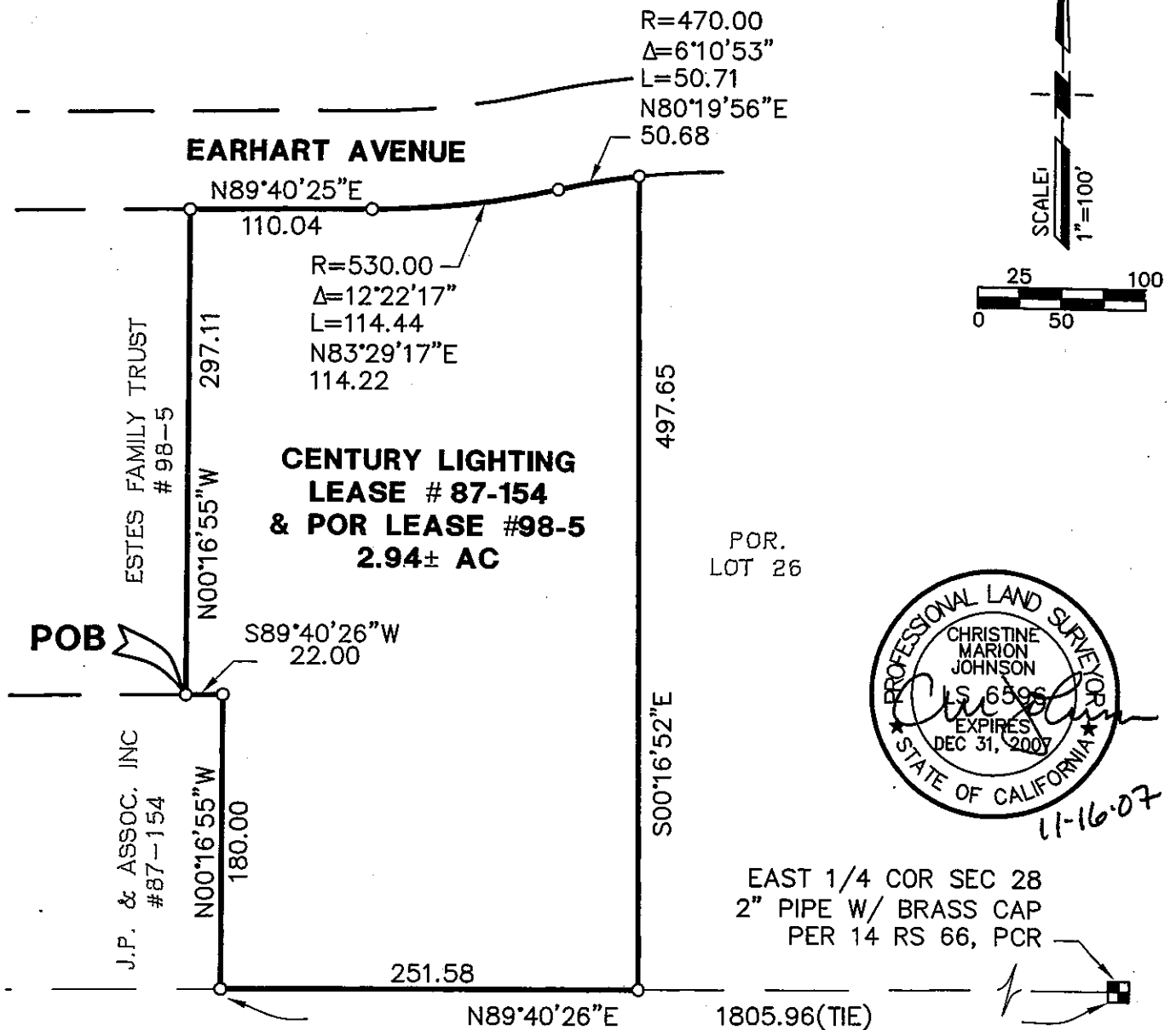


EXHIBIT 'B'

**LEASE AGREEMENT  
TO CENTURY LIGHTING**

POR SEC 28, T.13 N., R.08 E., M.D.M.  
CITY OF AUBURN  
PLACER COUNTY, CALIFORNIA  
SCALE: 1"=100' NOVEMBER 2007



Parcel name: CL Lighting

North: 501.01410102      East : 677.99389173  
Line Course: N 00-16-55 W Length: 297.11  
    North: 798.12050379      East : 676.53186126  
Line Course: N 89-40-25 E Length: 110.04  
    North: 798.74734995      East : 786.57007582  
Curve Length: 114.44      Radius: 530.00  
    Delta: 12-22-18      Tangent: 57.44  
    Chord: 114.22      Course: N 83-29-17 E  
    Course In: N 00-19-34 W      Course Out: S 12-41-52 E  
    RP North: 1328.73876514      East : 783.55348442  
    End North: 811.70093806      East : 900.05191945  
Curve Length: 50.70      Radius: 470.00  
    Delta: 6-10-52      Tangent: 25.38  
    Chord: 50.68      Course: N 80-19-56 E  
    Course In: S 12-45-30 E      Course Out: N 06-34-38 W  
    RP North: 353.30513886      East : 1003.84638598  
    End North: 820.21177749      East : 950.01153842  
Line Course: S 00-16-52 E Length: 497.64  
    North: 322.57776705      East : 952.45310695  
Line Course: S 89-40-26 W Length: 251.58  
    North: 321.14585372      East : 700.87718198  
Line Course: N 00-16-55 W Length: 180.00  
    North: 501.14367439      East : 699.99143096  
Line Course: S 89-40-26 W Length: 22.00  
    North: 501.01845739      East : 677.99178731

Perimeter: 1523.52      Area: 127,877 sq.ft. 2.94 acres

Mapcheck Closure - (Uses listed courses, radii, and deltas)

Error Closure: 0.00483802      Course: N 25-47-01 W

Error North: 0.004356361      East : -0.002104422

Precision 1: 314,903.62

RECORDING REQUESTED BY )  
 AND WHEN RECORDED MAIL TO: )  
 )  
 Keith C. Estes, Trustee )  
 Traci A. Estes, Trustee )  
 The Estes Family Trust )  
 P. O. Box 6793 )  
 Auburn, California 95604 )  
 )

Space above this line for Recorder's Office

FIRST AMENDMENT TO LEASE  
 (Lot 28A)

This First Amendment to Lease ("Amendment") is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2009 (the "Effective Date"), by and between the City of Auburn, a Municipal Corporation (herein called "City"), and Keith C. Estes and Traci A. Estes, trustees of the Estes Family Trust (herein called "Lessee").

RECITALS

- A. Lessee and City entered into that certain Auburn Airport Industrial Park Land Lease dated January 1, 1998 (the "Lease").
- B. Lessee is also the lessee of an adjacent parcel commonly referred to as Lot 27.
- C. The parties hereto desire to amend the Lease to decrease the square footage of the Leased Premises in order to allow a portion of the Leased Premises to be incorporated into the leased premises of the lease for Lot 27.
- D. The lease between City and Lessee for Lot 27, dated August 10, 1987, is being amended concurrently herewith.

NOW THEREFORE, in consideration of the foregoing recitals and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Legal Description of the Leased Premises. The legal description of the Leased Premises and the Map attached to the Lease are hereby deleted and replaced in their entirety with the attached "2009 Revised Legal Description of the Leased Premises" and the "2009 Revised Map."
2. Square Footage of the Leased Premises; Annual Rent. Lessee and City agree that the square footage of the Leased Premises for purposes of computing the annual rental is 52,891

square feet, and that commencing on the Effective Date the annual rental for the Leased Premises shall be \$7,938.00.

3. No Other Changes. Except as expressly modified by this Amendment, all other terms and conditions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date.

CITY

LESSEE

CITY OF AUBURN, CALIFORNIA, a  
municipal corporation

By: \_\_\_\_\_  
Robert Richardson  
City Manager

\_\_\_\_\_  
Keith C. Estes, trustee of the Estes Family  
Trust

\_\_\_\_\_  
Traci A. Estes, trustee of the Estes Family  
Trust

APPROVED AS TO FORM

By: \_\_\_\_\_  
Michael Colantuono  
City Attorney

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

---

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

2009 REVISED LEGAL DESCRIPTION OF THE LEASED PREMISES

2009 REVISED MAP

/Estes Amd Lot 28A  
031109





2280 GRASS VALLEY HWY #242  
AUBURN CA 95603  
530-320-0426 PHONE  
530-653-2126 FAX  
CHRISTINE@CLEAR-PATH.NET

November 16, 2007

**Exhibit "A"**  
**Lease Description**  
**Portion Lot 28, Auburn Industrial Park**  
**City of Auburn to Estes Family Trust**

A portion of Lot 28 as shown and so designated on Record of Survey No. 1847 filed in Book 14 of Surveys at Page 66, Placer County Records, located in Section 28, Township 13 North, Range 08 East, M.D.M., in the City of Auburn, Placer County, California.

Beginning at a point in the above described Lot 28, a point on the Southerly line of the City of Auburn Lease #98-5 to the Estes Family Trust, and from said point the tie of record location to the two inch diameter capped iron pipe marked for the East one-quarter corner of the above described Section 28 bears the following three consecutive courses and distances: (1) North 89°40'26" East for a distance of 22.00 feet; (2) South 00°16'55" East for a distance of 180.00 feet; and (3) North 89°40'26" East for a distance of 1805.96 feet; thence from the point of beginning South 89°40'26" West along the Southerly line of said Lease #98-5 for a distance of 178.00 feet to a point on the Westerly line of said Lot 28; thence North 00°17'25" West along said Westerly line for a distance of 297.11 feet to the Northwest corner of Lot 28; thence North 89°40'25" East along the Northerly line of Lot 28 for a distance of 178.04 feet; thence leaving said Northerly line South 00°16'55" East for a distance of 297.11 feet to the point of beginning.

Containing 1.21 acres (52,891 square feet), more or less.



*Estes Auburn Airport/Lot 28 lease.doc*

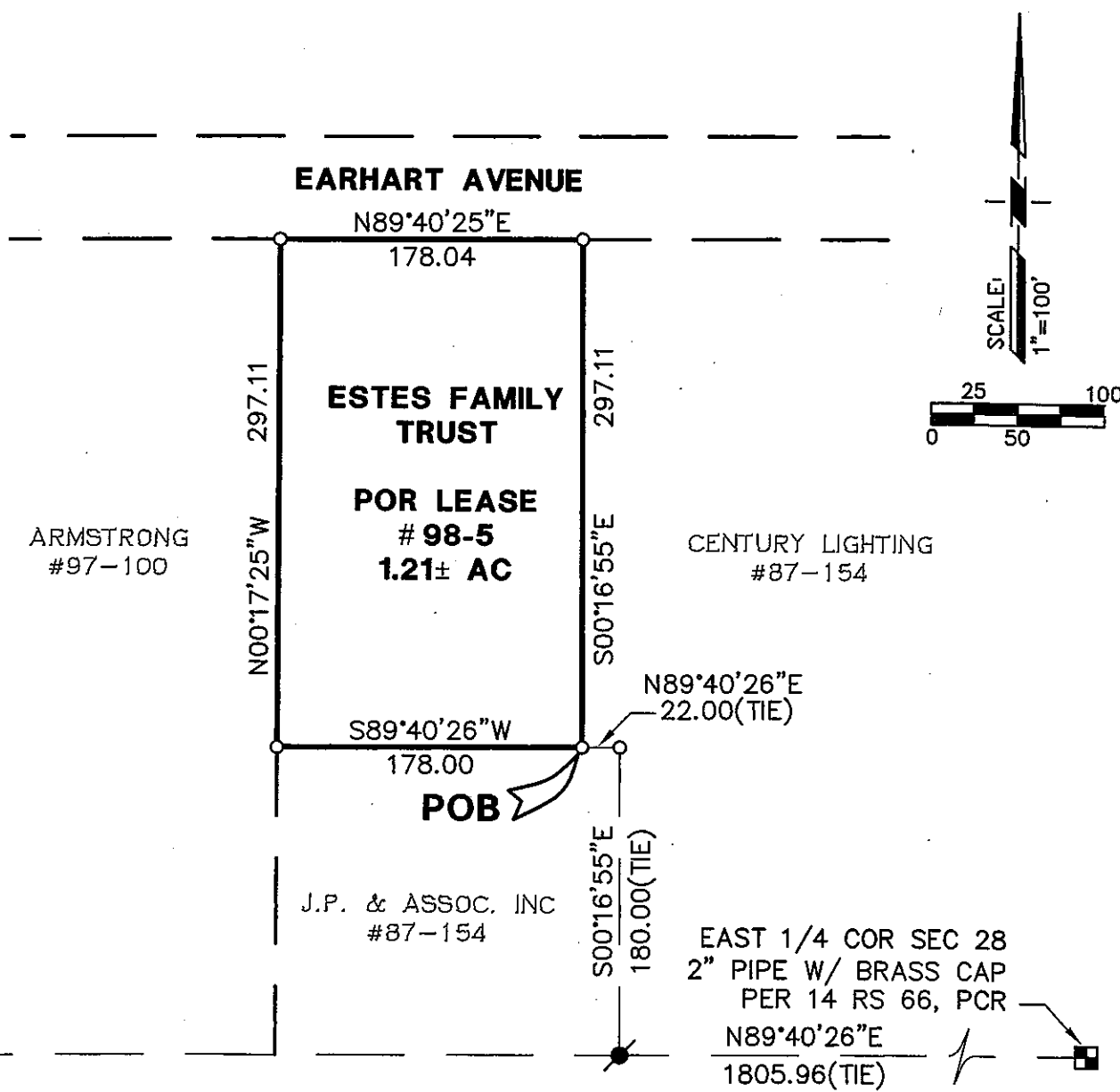


EXHIBIT 'B'

**LEASE AGREEMENT**

**TO ESTES FAMILY TRUST**

POR SEC 28, T.13 N., R.08 E., M.D.M.

CITY OF AUBURN

PLACER COUNTY, CALIFORNIA

SCALE: 1"=100' NOVEMBER 2007



Parcel name: ESTES

North: 501.01410102      East : 677.99389173  
Line Course: S 89-40-26 W Length: 178.00  
North: 500.00098165      East : 499.99677493  
Line Course: N 00-17-23 W Length: 297.11  
North: 797.10718321      East : 498.49441292  
Line Course: N 89-40-25 E Length: 178.04  
North: 798.12139341      East : 676.53152416  
Line Course: S 00-16-55 E Length: 297.11  
North: 501.01499064      East : 677.99355464

Perimeter: 950.26    Area: 52,891 sq.ft. 1.21 acres

Mapcheck Closure - (Uses listed courses, radii, and deltas)

Error Closure: 0.00095134      Course: N 20-45-11 W

Error North: 0.000889611      East : -0.000337099

Precision 1: 998,864.76

